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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 08/06/09

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ARTICLES:

(1) Chief Cabinet Secretary Kawamura reveals briefing by senior U.S. official on ex-President Clinton's request to Kim Jong Il on Japanese abductees

NIKKEI ONLINE (Full)
12:42, August 6, 2009

At a news conference on the morning of August 6, Chief Cabinet Secretary Takeo Kawamura revealed that he was briefed on the phone by a senior U.S. government official that former President Bill Clinton made a request to General Secretary Kim Jong Il regarding progress in the Japanese abduction issue at his meeting with Kim in North Korea on August 4.

According to this U.S. official, Clinton made a strong request during the meeting that "(North Korea) should work for progress in the abduction issue. The reinvestigation (of the abduction cases) already agreed between Japan and the DPRK should resume." Kim did not give any specific response. The nuclear and missile issues did not come up during the meeting, and Clinton did not pass on any message from President Barack Obama.

After receiving the briefing, Kawamura told the U.S. official: "We hope this is something that will lead to a solution to the abduction issue. We will also convey the substance of the meeting to the (families of the) abduction victims."

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(2) Obama speech (part 2): Government, which relies on nuclear umbrella, perplexed

ASAHI (Page 3) (Abridged slightly)
August 6, 2009

With rising public expectations about nuclear disarmament due to the advocacy of such by President Obama, the issue of the U.S.' nuclear umbrella \ presents a challenge for Japan.

Even though Japan has called for the elimination of nuclear arms every year at the UN General Assembly, an atmosphere joyfully welcoming Obama's goal of a nuclear-free world is absent in the government, particularly the Foreign Ministry (MOFA). Officials are concerned that the nuclear umbrella that the U.S. provides for Japan's security, could be undermined by the new Obama policy.

Assistant Secretary of State Kurt Campbell, when he visited Japan in July, said, "The U.S. has sufficient capability to reassure nations that are still under its nuclear umbrella." According to a Japanese government source, the Japanese side at a meeting of both countries' foreign affairs and defense officials asked the U.S. to give consideration to the nuclear umbrella when the U.S. proceeds with nuclear disarmament talks with Russia. Campbell addressed Japan's concern by proposing a setting for the U.S. and Japan to discuss the deterrence issue, including nuclear deterrence, on a regular basis.

Such a stance by Japan is affecting arguments on the nature of deterrence within the U.S.

Referring to the possibility of Japan going nuclear, former defense secretary James Schlesinger in July this year noted in an interview with a U.S. daily: "The nuclear umbrella is playing the role of preventing nuclear proliferation. Some U.S. allies will feel it necessary to have their own nuclear capability, if they have no nuclear umbrella."

In the meantime, researchers and others in international forums are discussing a no-first-use of nuclear weapons option as the first step toward the elimination of nuclear arms.

However, the U.S. is not positive about this notion. One reason for this is the consideration being given to its ally Japan. Japan has left out one aspect of the nuclear umbrella, the possibility of

using nuclear arms against a threat of not only nuclear arms but also biological and chemical weapons.

Former Australian foreign minister Evans, who co-chairs the International Commission on Non-nuclear Proliferation and Disarmament, a consultation conference backed by the Japanese council, in May strongly asked Japan to back down on such a stance. U.S. NGO's have also criticized such a stance of Japan.

A government source acknowledged, "The pacifist constitution and three non-nuclear principles are inconsistent with the nuclear umbrella. We have failed to pursue proper discussions on the matter, as they are worlds apart." This source then said, "The time has probably come when we must face the matter squarely."

(3) Political Parties' seriousness about the nuclear issue questioned: "secret nuclear deal" overlooked in general election

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TOKYO SHIMBUN (Page 22) (Full)
August 5, 2009

Takashi Ono, Katsumi Sekiguchi, Chiaki Ueda (Utsunomiya Bureau)

Tomorrow is the anniversary of the atomic bombing of Hiroshima. This year, former vice foreign ministers and other officials have testified about a "secret nuclear agreement" between Japan and the United States. Internationally, U.S. President Barack Obama delivered a major speech in Prague in April, while North Korea conducted its second nuclear test in May. There is great interest in the nuclear issue today. However, neither this "secret nuclear agreement" nor the future of the denuclearization policy has been made an issue in the general election. Why is the nuclear issue, which is central to security and foreign policy, not being debated in the election? The current election campaign is taking place during August, the month of the atomic bombings. Following are our thoughts.

Former Vice Foreign Minister Ryohei Murata testified in June that there was a secret nuclear agreement. However, the government continues to deny this.

Chief Cabinet Secretary Takeo Kawamura stated on June 29 that "the sort of secret agreement you (Murata) referred to does not exist." Also, Foreign Minister Hirofumi Nakasone told the House of Representatives Foreign Affairs Committee on July 1: "The introduction of nuclear arms is subject to prior consultation. There had not been (any request for consultation)."

Committee Chairman Taro Kono, a member of the ruling Liberal Democratic Party (LDP), had indicated that the committee would seek the revision of the statement, but the Lower House was dissolved. Democratic Party of Japan (DPJ) Secretary General Katsuya Okada said at a news conference that if the DPJ takes over the administration after the general election, the secret agreement will in principle be made public.

However, even the DPJ has not included in its manifesto (campaign pledges) investigation into the secret agreement. The document only includes such vague passages as "building a close and equal Japan-U.S. alliance relationship." The Hatoyama leadership had talked about including in the manifesto that Japan demand from the nuclear powers a no-first-use pledge, but this has not materialized.

On the other hand, the LDP is confirming the status quo. It emphasizes that "steady efforts to enhance the credibility of the Japan-U.S. security arrangements are indispensable." Not only is there no pledge to investigate the issue of the secret agreement, but there is not even any mention of the elimination of nuclear weapons, which is now a worldwide trend.

Once again, what does the "secret nuclear agreement" signify?

Aichi University Professor Ichiro Kawabe, an expert on this issue,

claims "this is a question of deceiving the people and a betrayal of democracy."

"The U.S. started the Iraq war because Iraq possessed weapons of mass destruction," says Kawabe. "However, this reasoning became untenable, and so the Republican administration was toppled."

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Diplomatic lies can undo an administration. Yet, Japan has sustained its lie over the years, distorting the people's judgment."

There is the opinion that the government is denying the existence of the secret agreement because it is a "necessary evil" to sustain the Japan-U.S. alliance. "The reasoning that lies are indispensable for protecting the country has something in common with colonialism," says Kawabe.

Actually, the view that Japan as the only atomic-bombed nation has played a leading role in the campaign to eliminate nuclear arms is also doubtful.

According to former National Defense Academy Professor Ukeru Magosaki, who once served as the chief of the Intelligence and Analysis Bureau of the Ministry of Foreign Affairs, "Japan has endeavored to prevent proliferation of nuclear arms to non-nuclear powers, but has not worked for the disarmament of nuclear powers, since the country with the largest number of nuclear weapons is the U.S."

Although the DPJ's Okada has said the secret agreement will be made public, some believe that the documents on the Japanese side have been destroyed.

Kawabe questions the DPJ's sincerity. "Behind the spate of testimony can be glimpsed the intent to show that Japan must deploy nuclear arms to counter North Korea's," says the professor. "In light of such a motive, how seriously can they pursue this issue?"

(4) Secret pact diplomacy (Part 3): Interview with George Packard, former special assistant to U.S. ambassador to Japan -- Japan must admit the existence of secret pact and discuss critical matters

NIKKEI (Page 2) (Abridged slightly)
August 6, 2009

What do experts think of a series of questions associated with a secret agreement (between Japan and the United States), including the question of introduction of nuclear weapons into Japan?

U.S. did not allow disclosure of the secret pact

-- The U.S.-Japan Security Treaty was revised in 1960. From 1963, you served as special assistant to U.S. Ambassador to Japan Edwin O. Reischauer.

Packard: "When a question was raised at the Diet about whether or not to allow U.S. warships carrying nuclear weapons to call at Japanese ports, the Japanese government said that it would not allow it. Concerned that the treaty would not be observed if that situation continued, Ambassador Reischauer thought the secret agreement should be disclosed. But Washington did not agree. Eventually, the Ambassador secretly invited Foreign Minister Masayoshi Ohira to a breakfast meeting and briefed him, producing the documents on the secret pact. Ohira gave a nod and said that he would handle the matter properly."

-- In 1981, Reischauer testified on the existence of the secret pact.

Packard: "In the car on the way to the press conference, he said,

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'Japanese people are wise, so they will understand why this secret agreement was necessary.' He was greatly shocked to know that his

testimony caused such a huge sensation in Japan."

-- Why did he testify on it?

Packard: He used to say that the secret pact was a time bomb. He must have thought that its early disclosure could minimize the damage. After all, he was a historian. Historians believe that the facts will come out sooner or later. The action resulted from the pure feeling of a scholar who disliked the idea of being called a liar later on."

Three principles not violated

-- The Japanese government came up with the three non-nuclear principles (of not possessing, producing, or permitting the introduction of nuclear weapons into Japan), and that made it even more difficult to disclose the secret deal.

Packard: Reischauer did not think the secret pact (exempting port calls in Japan by nuclear-armed U.S. vessels from prior consultations) contravened the three non-nuclear principles, because they would not bring nuclear weapons ashore. In April 1966, an assault ship (carrying nuclear weapons that might be brought ashore) repeatedly anchored near the Iwakuni base, and he was furious when he knew about it. He had been kept in the dark for years about that fact."

"He immediately called in senior U.S. Forces Japan officers and confirmed it, sent a telegram to Secretary of State Dean Rusk saying that he would resign as ambassador unless the matter was resolved within 90 days and that would publicly condemn it as a violation of the security treaty. Although he was scheduled to resign from the post in August that year, he told his family that he might do so earlier than scheduled. He was a truly honest man."

-- If the Japanese government discloses the secret pact, what will happen?

Packard: Nothing will happen. I, too, believe in the Japanese voters. What the government must do now is to admit the existence of the secret pact. It is necessary to move forward by overcoming the secret pact and to discuss real issues, such as the North Korean situation, within the country and with the United States."

(5) Examination of manifestos on relations with U.S.: LDP says alliance is cornerstone of foreign policy; DPJ eyes equal relationship

YOMIURI (Page 3) (Full)
August 6, 2009

Satoshi Ogawa, Washington Bureau; Toshimitsu Miyai, political reporter

In terms of relations with the United States, while the Liberal Democratic Party (LDP) manifesto (campaign pledges) terms this "the cornerstone of Japan's foreign policy," the Democratic Party of Japan (DPJ) calls for an "equal" relationship. The U.S. believes that if the LDP administration continues, close bilateral relations can be maintained, but if there is a change of government,

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qualitative change may take place in the alliance relationship. It is closely watching the outcome of the election.

The LDP designates the Japan-U.S. alliance as the "cornerstone" of foreign policy. It is continuing with Japan's consistent posture in the postwar period of cooperating with the U.S. in dealing with foreign policy and security issues. It is also the LDP's thinking that the reinforcement of the bilateral relationship from now on will contribute even more to peace and stability in Japan, in Asia and the Pacific, and in the world as a whole.

Specifically, the manifesto talks about "cooperation in counterterrorism" and "promotion of missile defense." It also pledges to "steadily implement" the U.S. Forces Japan (USFJ)

realignment plans, for which the Japanese government will be doling out one trillion and several hundred billion yen. The LDP also promises to "reduce the burden" of Okinawa and other localities hosting U.S. bases.

Furthermore, the LDP says it will "take the necessary security measures" for the "interception of missiles targeting the U.S." and the "protection of U.S. ships engaged in joint missile defense operations." While the wording has remained vague, this points to the party's intention to work toward revising the constitutional interpretation of the right of collective self-defense, which has been a pending issue for many years.

The DPJ says it will build an "equal" Japan-U.S. alliance, underscoring its difference with the LDP.

The manifesto says it will "suggest the revision" of SOFA, which includes provisions on the transfer of custody of USFJ personnel suspected of crimes, for instance, that allegedly disadvantage Japan. It also goes as far as proposing to deal with USFJ realignment and U.S. military bases "in the direction of a review." If SOFA is revised, this will be the first revision since it was signed in 1960.

With regard to building an equal relationship, the DPJ proposes to "fulfill Japan's responsibility positively while engaging in a division of labor with the U.S." However, it makes no mention of high priority issues for the U.S., such as reconstruction aid for Afghanistan or the specifics of the "review" of USFJ realignment plans. As for the Maritime Self-Defense Force's refueling mission in the Indian Ocean, President Yukio Hatoyama has declared that the mission "will not be extended" after its authorization expires next January.

The advocacy of an "East Asian community" is noteworthy in the DPJ manifesto. This can be interpreted as an indication of the party's intent to review Japan's foreign policy until now that centered on the Japan-U.S. alliance, and shift to Asian-centered diplomacy.

(6) U.S. administration, Congress scrutinizing DPJ's "pragmatic line"; "Feeling of security" if LDP administration continues

YOMIURI (Page 3) (Full)
August 6, 2009

After the DPJ published its manifesto, the U.S. Congress staff in charge of Asian diplomacy analyzed the document with Department of State officials. They noticed that the wording on the Japan-U.S.

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Status of Forces Agreement (SOFA) and the review of U.S. military bases has been toned down from the party's previous position, and everyone welcomed the DPJ's "pragmatism."

The Obama administration had also taken moves to prod the DPJ's shift to a pragmatic line. When Under Secretary of Defense Michele Flournoy met DPJ Secretary General Katsuya Okada in Tokyo on June 25, she expressed grave concern, going as far as saying that if the Japanese side demands changes in the U.S. Forces Japan (USFJ) realignment plans, "there will be no way to resolve the Okinawa issue."

A former senior U.S. official who is an expert on Japan had worried that if in the DPJ's effort to build an "equal Japan-U.S. relationship," it demands a substantial cut in host nation support, or Japan's share in the stationing of U.S. forces, "the Obama administration's attitude toward Japan might turn cold." He was relieved by the reasonable foreign policies listed toward the end of the manifesto.

However, Robin Sakoda, head of the Japan desk at the Department of Defense under the Clinton administration, remains skeptical. He says: "The DPJ manifesto is vague on concrete policies. There are passages where they merely changed the tone. We need to continue to watch closely."

Many officials involved with diplomacy with Japan are taking a wait-and-see attitude because it is difficult to get a clear picture before the administration is actually inaugurated.

In contrast to the alarm and attention given to the DPJ manifesto in the U.S., there is not much interest in the LDP manifesto. There is a feeling of security that if the LDP administration continues, the status quo of the alliance will be maintained because "the LDP supports the Japan-U.S. alliance more strongly."
(Ambassador-designate John Roos)

As a matter of fact, when the government and the LDP revised the special agreement on host nation support in 2008, spending cutbacks were mostly made on the wages of Japanese employees working on U.S. bases, in order not to cause a major increase in the U.S. share in USFJ expenditures. With regard to Japan's share in the cost of relocating 8,000 marines in Okinawa to Guam, the government has made a clear commitment to continue to shoulder the cost in the future in the agreement signed between the two countries last February.

However, with the increasing importance of China and the Middle East in U.S. foreign policy, interest in "maintaining the alliance" is diminishing. There are also signs of the decline of the Japan-U.S. relationship.

Kent Calder, former special assistant to the U.S. ambassador to Japan, warns that: "The economic and social links supporting the Japan-U.S. alliance are weakening. The alliance will not survive with the mere continuation of past policies, such as providing U.S. military bases and host nation support. There is a need to build a new relationship."

(7) Enola Gay crewmember Jeppson says radiation damage was beyond government's projection, describes President Obama's moral responsibility statement as "naove and wrong"

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MAINICHI (Top play) (Abridged slightly)
August 3, 2009

Takayasu Ogura, Las Vegas

Morris Jeppson, 87, who served as assistant weaponeer on the Enola Gay, the B-29 bomber which dropped the first atomic bomb on Hiroshima on Aug. 6, 1945, gave an interview to the Mainichi Shimbun at his home in Las Vegas on Aug. 2. The Enola Gay's crew that day consisted of 12 men. About the fact that some people are still suffering from atomic bomb-related illnesses today, 64 years after the bombing, Jeppson said: "I never thought that radiation would cause that much damage." Jeppson also criticized President Barack Obama's reference to "moral responsibility" associated with the use of atomic bombs as "wrong." He again tried to justify the use of the weapon, saying, "It was necessary to put an early end to the war."

Of the 12 Enola Gay crewmembers, only two, including Jeppson, are surviving. This is the first time that a crewmember has officially criticized President Obama's statement.

As members of a special mission, the group, including Jeppson, lived on the Pacific island of Tinian separately from other regular U.S. soldiers from June 1945. Looking back on those days, Jeppson said: "Because I had studied physics, I knew that the explosive was an atomic bomb. But most of the crewmembers, excluding the pilot (Paul Tibbets), thought that it was a super-powerful bomb."

According to Jeppson, the moment the aircraft dropped the five-ton bomb, the fuselage jumped upwards, a flash of light penetrated the aircraft windows about 43 seconds later, and the aircraft shook as a result of the massive blast. Tremors occurred again a moment later, and the pilot made an announcement that what had just been dropped was an atomic bomb.

Jeppson said: "We saw the (mushroom) clouds and flames billowing into the sky through the windows. That meant a lot of lives and a lot of things were being destroyed. And we were not happy to see

them."

About the radiation-induced damage that still exists today, Jeppson said: "Chances are that even the Los Alamos National Laboratory that produced the atomic bombs was not aware that the damage would be this severe. U.S. physicists were surprised as well. I don't think even President Truman was aware of it."

Back then, the U.S. military operation to land on mainland Japan was approaching. Jeppson explained: "It was clear that if U.S. troops landed on mainland Japan, not only U.S. soldiers but also many Japanese soldiers and civilians would lose their lives. Dropping the bomb was the only option to end the war quickly and avoid massive casualties."

Jeppson also criticized President Obama's Prague speech in April in which the President touched on (the United States') moral responsibility as the only nuclear power to have used a nuclear weapon and declared the goal of a nuclear-free world. Jeppson said: "His statement regards the use of the atomic weapon by the United States as a sinful act; such a statement is too naive. He is waiting for our generation to die out." He also said that if the President visits a bombed area in the future, he will "feel very bad."

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(8) PM Aso implements few effective policies to deal with North Korea

ASAHI (Page 4) (Full)
August 6, 2009

Kenichi Goromaru

Prime Minister Taro Aso strongly criticized North Korea's abduction of Japanese nationals in a stump speech in Yonego City, Tottori Prefecture, on August 5. He said: "There are people who were abducted by North Korea right here in Yonego. This is a crime of the state since the head of the state himself admitted that 'our people did it.' It is absurd not to protest firmly."

Aso is taking a tough stance on North Korea in the general election with the conservative voters in mind. The manifesto (campaign pledges) of the Liberal Democratic Party (LDP) also calls for "taking security measures" to enable the interception of ballistic missiles targeting the U.S. and the protection of U.S. ships by the Self-Defense Forces (SDF) in response to North Korea's threat.

However, during the period of over 10 months that the prime minister is in office, there has been no progress at all on the abduction, nuclear, and missile issues. On the contrary, North Korea has fired a missile over Japan in April, conducted its second nuclear test in May, and threatened to withdraw from the Six-Party Talks. While Japan led the debate in the UN Security Council (UNSC) and succeeded in having a sanction resolution passed, it has not been able to come up with any effective measures to stop North Korea's reckless behavior.

Former U.S. President Bill Clinton visited North Korea on August 4 and met General Secretary Kim Jong Il, causing concerns in the Japanese government that the U.S. and North Korea may go ahead with bilateral talks.

Soon after he took office, Aso made efforts to strengthen relations with China and the Republic of Korea (ROK) for the purpose of cooperating on North Korea policy and in responding to the economic crisis. He has held talks frequently with the leaders of these two countries, whose relations with Japan began to improve during the Abe administration. The prime minister also succeeded in holding the first Japan-China-ROK summit in Fukuoka last December. The UNSC resolution on North Korea's missile launch was a result of his persuasion of PRC Premier Wen Jiabao in cooperation with ROK President Lee Myung Bak.

In his foreign policy speech in June, the prime minister declared

proudly that, "We have the closest relations with the leaders of these two countries in the postwar period." However, he has not been able to make North Korea return to the Six-Party Talks or other venues of dialogue. Sensitive issues with China, such as the poisoned gyoza dumplings incident and the gas fields in East China Sea, as well as the Takeshima dispute with the ROK, have simply been shelved.

Aso has also been unsuccessful in building strong relations with the leaders of the United States and Russia. He was invited to the White House as the first foreign leader invited by President Barack Obama in February, but the motivation to build serious relations with a

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prime minister with weak domestic political backing was lacking on the U.S. side.

In February, Aso also became the first Japanese prime minister to visit Sakhalin in Russia after World War II, where he met President Dmitriy Medvedev. The two leaders agreed to work toward a solution to the Northern Territories issue through a "new unique and innovative approach." However, Aso stated in the Diet in May that the Northern Territories are currently under "illegal occupation by Russia." This gave rise to objections from the Russian side, thus spoiling the opportunity to make progress on this issue. His appointment of Shotaro Yachi, who was administrative vice foreign minister when he was foreign minister, as government representative also came to nothing because the media reported that Yachi advocated the return of "3.5 islands" out of the four Northern Islands.

The impact of the G-8 Summit in July, which Aso had hoped would buoy the administration, was also canceled out by the confusion over the appointment of LDP executives shortly before the summit. This Summit was far from being a big moment for Aso.

The dispatch of the SDF to waters off Somalia for the anti-piracy mission is one policy that was implemented as a result of Aso's advocacy. Escort ships were first sent in March for maritime security operations based on the existing SDF Law. There was criticism then that this was an "arbitrary stretching of the definition" of maritime security operations, which are supposed to be limited to sea areas near Japan. In June, the anti-piracy law was enacted, thus establishing the legal basis for anti-piracy missions.

(9) DPJ revises one pledge after another in manifesto for Lower House election

NIKKEI (Page 3) (Full)
August 6, 2009

The Democratic Party of Japan (DPJ) has rewritten campaign pledges inserted in its policy platform (manifesto) for the Aug. 30 House of Representatives election, such as a Japan-U.S. free trade agreement (FTA) and decentralization. This move reflects strong objections from agricultural groups and local governments. The main opposition party is being pressed to make corrections apparently to conform to reality.

After visiting the Central Union of Agricultural Cooperatives yesterday, DPJ agriculture, forestry and fisheries taskforce deputy head Tatsuo Hirano gave a press conference at the Agriculture, Forestry and Fisheries Ministry, in which he revealed that the party would rewrite the descriptions regarding its proposal for a Japan-U.S. FTA. He said: "(The correction) is attributed in part to a lack of explanation. It is not true to say that our policy is inconsistent, but the main cause is that we used an expression that was liable to cause misunderstanding." Hirano also said when he visited the central union that the party would not lower tariffs on such mainstay products as rice.

The DPJ included the Japan-U.S. FTA pledge in the diplomatic area in its manifesto. This proposal is to step deeper into trade liberalization than the policy taken so far by the government and ruling camp. Union executives and others issued statements opposing the DPJ proposal, as one executive complained: "An FTA with the U.S.

will inevitably deal a destructive blow to Japanese agriculture."

Income indemnity to farming households and Japan-U.S. FTA as a set

The DPJ put forth the idea of promoting FTA negotiations and a measure to introduce an income indemnity for individual farming households and fishermen as a package policy. The party intended to establish the income indemnity system as measures to intended to have farmers and fishermen survive even if trade is liberalized further. But President Yukio Hatoyama said in a press conference on Aug. 4: "It would be desirable (for the FTA proposal) to be accepted if income indemnity is approved as a system, but doing so might be difficult under the current agricultural situation."

Prime Minister Taro Aso emphasized in his campaign speech in Yonago City, Tottori Prefecture yesterday: "Agriculture is the basis of our nation. It is wrong to consider that low-priced food is welcome." As it stands, the ruling parties have begun to criticize the DPJ's Japan-U.S. FTA proposal. The main opposition party's decision to alter its FTA policy apparently reflected its fear of losing agricultural groups' votes.

Regarding decentralization, the DPJ intends to add a measure to establish a body for consultations between the central and local governments in response to strong calls from the National Governors' Association and other groups. Osaka Governor expressed his dissatisfaction at the lack of reference to the decentralization challenge in the DPJ manifesto, claiming: "I wonder if the DPJ is aiming to bring about regional sovereignty in a serious manner." The party's about-face is also reflecting its desire to obtain support from influential regional heads.

In an interview with press companies on July 31, Hatoyama indicated that he would urgently add the pledge of legislating for a consultative panel in its manifesto, saying: "I deem it as a proper request." Deputy President Ichiro Ozawa met with Hashimoto in Osaka on Aug. 4, and they shared the need for the legislation.

In reference to the fact that the DPJ manifesto stops short of mentioning this challenge, there were scenes in which senior party members were hard-pressed to give a supplementary explanation. Asked about the party's policy regarding the Self-Defense Force's (SDF) refueling mission in the Indian Ocean, which is to expire in January, Hatoyama replied: "The mission will not be extended." Although the DPJ manifesto sealed off a consumption tax hike, Hatoyama has also implied its willingness to tolerate discussion on the issue.

Revised version to be issued just before official announcement

The DPJ has decided to announce a revised-version manifesto just before the election is officially announced on Aug. 18. Given that political parties are not allowed to distribute policy platforms prior to the official announcement under the Public Offices Election Law, senior members have explained that the announced manifesto is not official. The ruling camp has criticized repeated revisions of the DPJ manifesto, but the DPJ intends to refute the criticism: "The LDP has set forth goals to be attained in the next ten years, so there is no need to rewrite them."

Remarks over corrections or additions in DPJ manifesto

Present contents Explanation

Correction: Japan-U.S. FTA

Promote the liberalization of trade and investment by concluding an FTA with the U.S. "Doing so is not easy under the current situation." (Hatoyama)

"There were some parts that tended to cause misunderstanding."

(Deputy President Naoto Kan)

Addition: Decentralization

No reference to a consultative body involving the central and local governments. "Calls for an consultative body are a proper request" (Hatoyama)

Case of a supplementary explanation

Numerical target for economic growth

No description "It is possible to attain a 2% goal if we do our best." (Secretary General Katsuya Okada.

"We will set a goal of 2% economic growth in the future." (Policy Research Council Chairman Masayuki Naoshima).

Consumption tax

Maintain the current rate of 5% and put the full amount of consumption tax revenues into the state coffers. "Our assertions were mistakenly interpreted as banning any kinds of discussion on the consumption tax. We correct it." (Hatoyama)

Refueling mission in the Indian Ocean

No description "Our stance is not to extend the mission in principle." (Hatoyama)

(10) Agricultural cooperatives, medical associations abandoning LDP

TOKYO SHIMBUN (Page 2) (Excerpts)

August 6, 2009

Takao Kanasugi

With the climax of the House of Representatives election -- which is meant for the voters to choose an administration -- approaching, Liberal Democratic Party (LDP) vote-gathering machines in the regions are rethinking their one-sided support for this party. Following the example of the Ibaraki Prefecture medical association, the agricultural cooperatives and the medical associations in Aomori Prefecture, a conservative stronghold, have decided not to endorse the LDP candidate. While Prime Minister Taro Aso is personally taking the lead in calling on the industrial organizations and doing everything to stop the outflow of support, it appears that discontent accumulated over the years since the Koizumi administration has surfaced all at once.

The federation of farmers for agricultural administration in Aomori, the political arm of the agricultural cooperatives, decided on free voting for all four districts in the prefecture on July 10. This is the first time the federation is not endorsing a LDP candidate since the introduction of single-seat constituencies in 1996, but there was no objection to this decision.

While this group has cooperated with the LDP's rice acreage reduction policy over the years, rice prices have continued to sink due to the decline in demand and other factors, despite the government's publicity on its "guarantee of income on par with salaried workers." The farmers have also not benefited much from crop diversification. Farmers in Aomori are discontented.

The medical association of Aomori City has decided to back the Democratic Party of Japan (DPJ) candidate in the first district of

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the Lower House. Yuji Tsushima, who has just announced his retirement shortly before the dissolution of the Lower House, is a political heavyweight specializing in health issues elected from this district. However, a first-ever internal survey conducted last fall showed that 40 percent of members supported the DPJ, exceeding the 30 percent support for the LDP. The Hirosaki City medical association in this prefecture has also reconsidered its support for the LDP and is now endorsing both the LDP and DPJ candidates. Hachinohe City medical association is moving toward endorsing both candidates as well.

The Aomori Prefecture construction industry association, the LDP's last hope, will continue to support the LDP in this election. However, the cutback in public work projects has reduced the membership sharply from 300 companies at its peak to just 180 at present. Its organizational ability is no longer as powerful.

Not only in Ibaraki or Aomori, medical associations in Tochigi and Aichi are going to allow free voting of their members or are endorsing both LDP and DPJ candidates.

The agricultural cooperative in Mie has also decided on free voting, while the policy for Ishikawa and Shizuoka varies depending on the constituency. In some districts, both the LDP and DPJ candidates are endorsed.

The Japan Medical Association (JMA) issued an official statement on August 5 commending the LDP manifesto on such points as the increase in medical remuneration from next year and its indication of a direction for radical tax reforms, including the consumption tax. However, JMA is demanding full consideration for smaller hospitals and clinics in the regions, because the distribution of revenues "seems to favor big hospitals."

On the other hand, the DPJ's proposal to abolish the medical insurance system for senior citizens 75 years old or above was criticized by JMA managing director Toshio Nakagawa at a news conference on August 5: "Patients 75 years old or above will not be able to receive medical treatment," demanding a review of this policy.

(11) DPJ aims at securing fiscal resources by reducing extra budget

YOMIURI (Page 9) (Slightly abridged)
August 6, 2009

The Democratic Party of Japan (DPJ) has decided to reduce the supplementary budget for fiscal 2009 by about 4 trillion yen if it assumes power. The aim is to rebut the criticism from the ruling camp and others of its lack of specifics on where the necessary revenues will come from to finance its pledges. Even so, optimism may not be warranted as the job market remains gloomy and due to other negative economic conditions. The question of whether the support of the economy with an extra budget is still necessary is also likely to be a major campaign theme in policy debate for the next House of Representatives election.

The fiscal 2009 extra budget, which was compiled with the aim of overcoming the economic crisis, includes a record-breaking general account worth approximately 13.9 trillion yen. The DPJ has called wasteful the 46 funds set up in public corporations and prefectural governments (worth about 4.4 trillion yen) with the national budget

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as their resources. The party has criticized the funds designed to offer loans to those under vocational training or to promote the integration of farmland as less effective in terms of policy. The DPJ is willing to freeze unnecessary funds.

The party also expects to look into such plans as constructing a comprehensive center for media and art (by spending 11.7 billion yen) -- criticized by DPJ President Yukio Hatoyama as a cartoon (anime) hall -- as well as introducing eco-friendly cars and energy-saving electrical appliances for central governments and building government agencies' facilities (by disbursing about 2.9 trillion yen). The DPJ hopes to secure the fiscal resources for its measures, including a monthly child-rearing allowance of 13,000 yen, in fiscal 2010, by freezing expenditures set aside for certain measures in the extra budget.

There is concern, however, that if the effect of the supplementary budget on the economy is undermined, the economy may be adversely affected. The Japanese economy has yet to be on a sustainable recovery path. Some observers anticipate that the economy might sink into a deep recession.

The proposed review of construction costs for government agencies' facilities will lead to a reduction in public works projects. According to an estimate by a Nomura Securities Research Institute analyst, if the public works projects planned for the October-December period in the government's additional economic stimulus package are canceled in fiscal 2009, the nation's gross domestic product (GDP) for that fiscal year will be curtailed by 0.3%.

(12) Japan's image post economic-superpower status

Yukio Okamoto, commentator on foreign affairs

A few days ago, a friend's daughter visited Japan for the first time. Her name is Margaret. After reaching Tokyo, Margaret took the subway alone. In the subway car she became ill and squatted on the floor. A worried male passenger asked her in English for my telephone number and called me. After a while, I received another phone call, from a woman who had been sitting next to Margaret in the subway train. I sent for assistance. Then I asked myself whether there is any other country where people are so kind to others.

Take, for example, America. The people there are very hospitable. But America is not as safe as Japan. So Americans are wary of strangers and don't exhibit their innate goodness. Europe was a class society, so the spirit of helping one there is not strong. In Asia, it is not uncommon to see someone lying on the street so people do not always rush to their aid.

In terms of GDP, Japan currently ranks second in the world. But Japan will likely fall behind China this year, and Japan's economic indicators will continue to show a relative decline in the years to come. Before long, Japan will probably rank third, behind China and India, in Asia, and become a second-tier country like Brazil or Australia (although Brazil will likely become a global power in 30 years.)

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Ever since Japan became in 1968 the world's second largest economy it has regarded itself as an economic powerhouse. Many said the 21st century would be Japan's century. In the late 1980s, Japan was even arrogant, saying it could buy America four times or the Imperial Palace was worth as much as Canada.

However, it is fundamentally unreasonable to use GDP for international comparisons. The exchange rate, which converts the GDP to dollars, determines the trade terms for a handful of excellent Japanese export businesses. The dollar-based value of Japan's total assets is not accurate. It is like using only the prices of roadside pieces of property in good locations to calculate the market value of a vast tract including forest and even wasteland.

Moreover, Japan's economy is in bad shape. The total amount of Japan's national and local debts exceeds 200% of its GDP, more than twice Italy's abysmal figure. The Japanese government is verging on incompetence.

The age when Japan boasted of its economic power is past. Then what sort of image will Japan aim to project to the international community?

I would like to suggest Japan will aim to become a country that carries weight in global politics and security.

Britain ranks sixth in terms of nominal GDP. Even so Britain has a great influence on world politics. Admitting that Japan cannot be expected to acquire political clout on the scale of Britain's, I hope that Japan will at least establish a political presence like Canada's. However, Japan is risk adverse. Its primary consideration is the safety of its people. It cannot make political decisions. As such, Japan's political clout cannot but be limited.

What remains are Japan's cultural and human assets -- hospitality, the spirit of cooperation or helping one another, safety, cleanness, diligence, honesty, teamwork, patience, preciseness, carefulness, punctuality, craftsmanship, tenacity, persistency, and high standards. The synergy of these assets creates Japan's society and culture and its unique warm-heartedness. I have traveled around the world for years. However, these characteristics of Japan and its people are unique in the world. For example, Japanese aid workers sent to developing countries by the Japan International Cooperation

Agency and other organizations are well spoken of among local people. In this area, Japan outclasses other countries. Japan should not lose heart just because China surpasses it economically. It is about time for Japan to remake its global image based on its people's sensitive spiritual nature.

ZUMWALT